

ISSUE DATE: July 5, 1995

DOCKET NO. P-5130/NA-94-1159

ORDER GRANTING AUTHORITY TO RESELL LONG DISTANCE, DIRECTORY
ASSISTANCE, AND USWC'S CENTRON SERVICE IN USWC'S EXCHANGES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
Joel Jacobs
Marshall Johnson
Dee Knack

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Request by UTEC Associates
for a Certificate of Authority to Resell Long
Distance, Directory Assistance, and
CENTRON Services

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PROCEDURAL HISTORY

On December 15, 1994, UTEC Associates (UTEC) filed an application for a certificate of authority to resell long distance, directory assistance and CENTRON. The filing was assigned to the current docket, P-5130/NA-94-1159.¹

On January 24, 1995, the Department filed comments in this docket regarding UTEC's application for authority. The Department recommended that the Commission approve the Company's request for certification to resell long distance and CENTRON, but recommended that the Commission disapprove the Company's request for authority to provide directory assistance (DA) service. The Department argued that the Company's proposal to charge a flat monthly fee of \$2.50 for DA service did not comply with a requirement in the Commission's January 19, 1993 Order that end-users be able to reach 411 (directory assistance) without incurring a charge greater than the cost of the service to the local reseller.²

¹ To understand the context in which UTEC made this application, see the Commission's ORDER TERMINATING INVESTIGATION AND CLOSING DOCKET in Docket No. P-3163/CI-93-1332, issued concurrently with this Order. UTEC Associates is the successor to University Technology Centers, Inc. (University Technologies) which was the subject of the ORDER TO SHOW CAUSE in the 1332 Docket.

² In the Matter of a Commission-Initiated Proceeding to Determine Whether Resale of Local Telephone Service is in the Public Interest, Docket No. P-999/CI-90-235, ORDER AUTHORIZING THE RESALE OF CENTRON SERVICE (January 19, 1993) at

On February 24, 1995, UTEC responded to the Department's recommendation regarding DA. UTEC stated that the \$2.50 figure was chosen because USWC is unable to itemize the directory assistance calls so that UTEC could rebill the tenants for their specific calls. UTEC argued that the requirement cited by the Department from the January 19, 1993 Order should not apply in situations where the local exchange company (LEC) is unable to provide line by line itemization of the source of the 411 calls.

On March 2, 1995, the Department responded to UTEC's February 24, 1995 explanation. The Department continued to recommend disapproval of UTEC's proposal to offer DA service.

On May 22, 1995, UTEC filed revised tariffs in which it eliminated the charge for DA service and increased its access rates for CENTRON lines. UTEC explained that increasing the CENTRON access line charges would eliminate the necessity for any charges on a per call basis for DA.

On May 30, 1995, the Department recommended that the Commission approve UTEC's DA proposal, as well as approve the other services previously recommended: resale of long distance, 800, and CENTRON.

On June 20, 1995, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

UTEC applied for authority to resell the following services in Minnesota: long distance, CENTRON, directory assistance (DA), and 800 service.

1. Resale of Long Distance Service

UTEC has provided the information indicated in the July 13, 1983 Order in Docket No. P-421/CI-82-619. This information provides the Commission with an adequate basis for granting the Company authority to resell long distance service in Minnesota and the Commission will do so.

2. Resale of CENTRON Service

In its January 19, 1993 ORDER AUTHORIZING THE RESALE OF CENTRON SERVICE in Docket No. P-999/CI-90-235, the Commission stated that any entity seeking authority to resell CENTRON in USWC's exchanges must apply for a permanent certificate of authority pursuant to Minn. Stat. § 237.16. ORDER at page 24; Ordering Paragraph 5. Specifically, the

Commission noted that in their petitions for certificates of authority pursuant to Minn. Stat. § 237.16, CENTRON resellers must provide the Commission with the basic information necessary to oversee their operation: their identity, their business address and phone number, responsible agent, the type of service provided, the location or locations where such service is provided, and the rates of service. ORDER at page 19.

The Commission has reviewed the material provided by the Company as part of its application for a certificate of authority to resell CENTRON service and finds that the Company has made an appropriate filing. In addition, the Commission finds that the future public convenience and necessity require the operation contemplated by the Company. Accordingly, the Commission will grant the certificate pursuant to Minn. Stat. § 237.16 (1994).

RESPONSIBILITIES OF UTEC AS A CENTRON RESELLER

In conjunction with granting the certificate of authority, the Commission takes this opportunity to clarify the status and responsibilities of UTEC as a reseller of CENTRON. The Commission's clarification is consistent with the Commission's findings in the January 13, 1993 ORDER AUTHORIZING THE RESALE OF CENTRON SERVICE.

As a CENTRON reseller providing local exchange service to fewer than 30,000 subscribers in the state, UTEC is an *independent telephone company* as defined in Minn. Stat. § 237.01 (1994).³ As such, it is subject to all statutes and Commission rules relating to that status. Minn. Stat. § 237.74 (1994). For example, UTEC will be required to

- ▲ file an annual report pursuant to Minn. Stat. § 237.12 (1994)
- ▲ participate in the 1) telephone assistance plan (TAP) pursuant to Minn. Stat. § 237.70, subd. 6 (1994); 2) the telecommunications access for the communications-impaired persons (TACIP) fund pursuant to Minn. Stat. § 237.52 (1994); and 3) the 911 fund pursuant to Minn. Stat. § 403.11 (1994)
- ▲ pay the Company's apportioned share of general regulatory expenses charged to telephone companies under Minn. Stat. § 237.295 (1992)
- ▲ file and update its tariffs or price lists and change its tariffs or price lists subject to Commission review and correction pursuant to Minn. Stat. §§ 237.06 and 237.081 (1994)
- ▲ obtain Commission approval before purchasing the property of any telephone company pursuant to Minn. Stat. § 237.23 (1994)
- ▲ provide service on a non-discriminatory basis under Minn. Stat. § 237.09 (1994)
- ▲ charge reasonable rates and avoid inappropriate cross-subsidization as required by Minn. Stat. § 237.06 (1994) and

³ UTEC does not meet the definition of telecommunications carrier in Minn. Stat. § 237.01, subd. 6 (1994) because CENTRON and DA are local exchange services.

- ▲ fulfill all the responsibilities that local exchange companies (LECs) or independent local exchange companies (ILECs) have toward their customers pursuant to Minn. Rules, Parts 7810.5200 - 7810.5900

Finally, the Commission clarifies that, as in the two previous Orders which have granted CENTRON resale authority,⁴ the certificate of authority is limited to resale of USWC's CENTRON in USWC's exchanges.

3. Directory Assistance (DA)

The Department objected to UTEC's proposal to impose a flat fee for DA, a fee which UTEC stated would allow it to recover part of the 411 charges that it incurred as a lump sum from USWC. The Department argued that under the Company's proposal some tenants would pay more for DA than it cost UTEC to provide it, in violation of the requirement stated in the Commission's January 19, 1993 ORDER AUTHORIZING THE RESALE OF CENTRON in Docket No. P-999/CI-90-235 that the end-user should be able to reach 411 without incurring a charge greater than the cost of the service to the reseller. ORDER at page 18.

In a revised proposal, UTEC indicated that it would impose no charge (either flat or per call) for directory assistance service. Instead, the Company stated that it would raise the per line charge for CENTRON over what it had proposed in its initial filing. The Department found that this proposal responded satisfactorily to its concern and recommended approval of the Company's revised proposal.

The Commission finds that the Company's revision moots the issue raised by the Department. More importantly, the Commission finds that the Company's revised tariffs reflect a fair and reasonable rate for CENTRON and DA service. Accordingly, the Commission will approve the Company's revised CENTRON and DA tariffs.

4. 800 Service

The Commission finds that UTEC's application for authority to resell 800 service is in order and will approve it.

ORDER

⁴ In the Matter of the Application of Enhanced Telemanagement, Inc. for a Certificate of Authority to Resell CENTRON Services in US West Service Area, Docket No. P-449/NA-93-127, ORDER GRANTING PERMANENT AUTHORITY (January 10, 1994) and In the Matter of Firstcom, Inc.'s Request for a Certificate of Authority to Resell Local Exchange Telephone Services, Docket No. P-3146/M-93-1084, ORDER GRANTING AUTHORITY TO RESELL LONG DISTANCE SERVICE IN MINNESOTA AND USWC'S CENTRON SERVICE IN USWC'S EXCHANGES (July 20, 1994).

1. UTEC Associates (UTEC) is hereby granted a certificate of authority to resell long distance service, USWC's CENTRON service in USWC exchanges, 800 service, and directory assistance (DA) service as revised.
- 2.. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)